

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF CREDIT UNIONS

NEWSLETTER

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A REMINDER

The events of last week, and the subsequent response of activating armed forces reserve units, will require some credit unions to utilize a number of the provisions of the Soldiers and Sailors Civil Relief Act of 1940 (SSCRA). We have already received questions from credit unions regarding these provisions.

Basically there are four areas that would affect credit unions.

Installment Contracts If a member has been materially affected in their ability to repay because of active duty; a credit union may not exercise any rights of rescission, termination or repossession without a court order.

Interest Rate Upon application an active duty member, if materially affected, may apply for a maximum interest rate of 6% on existing debt.

Default Judgements and Stay of Proceedings Generally the credit union has an extra burden of proof to and other limitations if the above remedies are sought.

Adverse Action Credit unions are prohibited from pursuing adverse actions such as notifying credit reporting agencies, denying credit, and changing credit terms of a member who has exercised their rights under the SSCRA.

Credit union personnel should have sufficient knowledge of the act to realize when it may impact individual member accounts and then be able to reference the correct materials to apply SSCRA provisions. If you have any questions please contact our office.

FIELD OF MEMBERSHIP APPLICATION UPDATE

Springfield Telephone Employees Credit Union submitted an application to include those persons who reside or work in the 417 telephone Area Code and the 573 (bordered on the north by I-70) telephone Area Code. The Director approved the expansion of **Springfield Telephone Employees Credit Union** to those in the 417 Area Code, but not the 573 Area Code.

The decision was published in the November 15, 2000 Missouri Register. On November 30, 2000 the Missouri Bankers Association (MBA) and Century Bank of the Ozarks (CBO) filed an appeal of the decision to the Credit Union Commission. The Commission heard the appeal on March 29, 2001. On May 24, 2001 the Commission upheld the decision of the Director. On August 16, 2001, the decision was released and the Director filed **Springfield Telephone Employees Credit Union's** amended bylaws with the Secretary of State. On September 14, 2001, the MBA and CBO filed a petition in Cole County Circuit Court for administrative review.

South Community Credit Union submitted an application for those who work or reside in Zip Codes 63109, 63111, 63116, 63123, 63125, 63128, 63129, and Crawford County, Franklin County, Gasconade County and Washington County. **Central Communications Credit Union** submitted an application for those persons who reside or work in the 816 telephone Area Code. The Director approved the applications submitted by **South Community and Central Communications Credit Unions**. These decisions were published in the November 15, 2000 Missouri Register. On November 30, 2000 the Missouri Bankers Association and two local banks located in each of the two applicants' field of membership expansion areas filed appeals of the decisions to the Credit Union Commission. The Commission received the record of appeals from all parties on May 24, 2001. On August 9, 2001 the Commission upheld the decisions of the Director. The written decisions have not been released.

Gateway Metro Credit Union submitted an application for those living or working in the Missouri counties of St. Louis, St. Charles and Jefferson. **Educational Employees Credit Union** submitted an application for those who live or work in St. Louis County, St. Charles County, Jefferson County, Cape Girardeau County and Franklin County. These applications were published in the December 15, 2000 Missouri Register. The Director approved the applications and his decisions were published in the February 15, 2001 Missouri Register. On March 1, 2001 the Missouri Bankers Association and two local banks located in each of the applicants' field of membership expansion areas filed appeals of the decisions to the Credit Union Commission. The

Commission will hear the appeal of **Educational Employees Credit Union** on October 19, 2001. No date has been established to hear the **Gateway Metro Credit Union** appeal.

Glass Workers Credit Union submitted an application for those persons living or working in Jefferson County and Ste. Genevieve County and family members and organizations of such persons. The application was published in the April 2, 2001 Missouri Register. The Director approved the application and the decision was published in the June 15, 2001 Missouri Register. An appeal of the Director's decision was received on June 29, 2001. On August 30, 2001 Glassworkers amended the application to Zip Codes 63057, 63628, 63049, 63051 and 63023 rendering the appeal moot. The application will be published in the October 1, 2001 Missouri Register. A ten business day comment period must occur following publication before a decision can be made.

City Utilities Credit Union submitted an application for community residents and workers in Greene and Christian Counties. The application was published in the June 1, 2001 Missouri Register. The Director approved the application and the decision was published in the August 1, 2001 Missouri Register. On August 14, 2001 the Missouri Bankers Association and a local bank located within the applicant's field of membership expansion area filed an appeal of the decision to the Credit Union Commission. The Commission will schedule a date to hear the appeal.

First Missouri Credit Union submitted an application for anyone living or working in Zip Codes 63010, 63111, 63116, 63123 and 63128. The application was published in the July 2, 2001 Missouri Register. The Director approved the application and the decision was published in the September 4, 2001 Missouri Register. A fifteen day calendar period for appeal of the decision must occur before the decision is final.

Lake City Credit Union submitted an application for those who live or work in Zip Codes 64014, 64015, 64016, 64056, 64057, and 64058. The application was published in the July 16, 2001 Missouri Register. The Director approved the application and the decision was published in the September 4, 2001 Missouri Register. A fifteen day calendar period for appeal of the decision must occur before the decision is final.

District 4 Highway Credit Union submitted an application to add family members. The application was submitted for publication in the August 15, 2001 Missouri Register. The Director approved the application and the decision will be published in the October 1, 2001 Missouri Register. A fifteen day calendar period for appeal of the decision must occur before the decision is final.

Kansas City Police Credit Union submitted an application for individuals eligible to belong to The Missouri Peace Officers Association, employees of the Missouri Peace Officers Association, individuals who work for agencies eligible to belong to the Missouri Police Chiefs associations, individuals who work for agencies eligible to belong to the Metropolitan Chiefs and Sheriffs Association, employees of the Metropolitan Chiefs and Sheriffs Association, and immediate members of families of such individuals and employees and pensioners and organizations and associations of all of the aforementioned. The application was published in the September 17, 2001 Missouri Register. A ten business day comment period must occur before a decision can be made.

Mid-County Family Credit Union submitted an application to serve St. Blaise Catholic Church parishioners and their families. The application will be published in the October 1, 2001 Missouri Register. A ten business day comment period must occur before a decision can be made.

Missouri Family Credit Union submitted an application for people who live or work in Zip Codes 64125, 64050 and 64051. The application will be published in the October 15, 2001 Missouri Register. A ten business day comment period must occur before a decision can be made.

FROM THE DIRECTOR

The next Credit Union Commission meeting is scheduled for October 19, 2001 at 10:30 AM in Room 500 of the Harry S Truman State Office Building. On the preliminary agenda is the appeal of my decision approving the expansion of Educational Employees Credit Union's field of membership, an exemption for a group from the 3,000 limitation on groups, a report on the condition of credit unions, and an update on state and federal legislation. Commission meetings are open to the public.

In December we will be conducting our second annual survey of credit unions to determine the performance of the Division of Credit Unions. Meetings will be scheduled for January in four locations to discuss the results of the survey and to hear and receive your suggestions on how we can improve.

I am concerned about the effects of the recent tragic events, the effect on an already troubled economy and credit unions. Credit union boards, committees and management are urged to be vigilant and act swiftly to these and future events. Many are comparing these times to the 1980's. My view is credit unions are better managed today and can successfully address these challenges.

John P. Smith, Director